

UNAPPROVED MINUTES
CITY OF MILPITAS

RA3

Minutes: Regular Meeting of Milpitas Redevelopment Agency (Including
Joint Meeting with City Council and Financing Authority)
Date of Meeting: February 1, 2005
Time of Meeting: 8:30 p.m.
Place of Meeting: Council Chambers, City Hall

**RA1.
CALL TO ORDER**

Mayor Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 8:30 p.m.

**RA2.
ROLL CALL**

Present were Mayor Esteves, Vice Mayor Gomez, and Agency/Councilmembers Giordano, Livengood, and Polanski.

**RA3.
MINUTES**

MOTION to approve the Redevelopment Agency minutes of January 18, 2005, including joint meeting with the City Council, as submitted.

M/S: Gomez, Polanski.

Ayes: 5

**RA4.
AGENDA**

MOTION to approve the Agenda and Consent Calendar as submitted.

M/S: Gomez, Giordano.

Ayes: 5

(Councilmember Livengood abstained from approval of item RA10.)

**RA5.
LIBRARY PROJECT UPDATE**

Project Manager Mark Rogge reported the Council had approved the concept design for the Library, which was the first step in the design process; the follow-up was to make sure the numbers had been gone through and also to move onto the Schematic Design Phase; the Conceptual Design report was available on the web site, as well as a display at the Library depicting the graphics and other information about the Conceptual Design; and the Schematic Design would use the Concept Design as a basis. Mr. Rogge said he would be reviewing the Schedule, the Budget, the Cost Plan and the Schematic Design process.

Mr. Rogge reported that as of February 1, 2005, the project was on schedule to begin the Schematic Design process; the original Cost Plan that was derived was \$39 million; at the completion of the Conceptual Design, the architect and its cost estimating company reviewed the Conceptual Design and applied a cost standard (similar to the cost plan); a complete cost estimate could not be done without the complete plans and specs, however, based on the information in the Cost Plan, the cost had been derived; a separate Cost Estimating company had also taken the information, and after reconciling the two costs, staff did not find any significant differences between the costs other than the methodology used.

Mr. Rogge further reported that the current Library Cost Plan showed that the target for the design of the Library would be \$20 million; with the contract for the architect, the final estimate (which would come with the final set of plans) would be established and at each step, staff would bring it back to the Council; \$20 million was the target but it could possibly go as high as \$2 million more in an actual bidding condition; it was also recognized that after the bidding was done, there could be 10 percent in change orders, which were normal for a project of this scale; overall, \$24 million was being accounted for in the building; when adding the site work, plus the furniture, technology, and equipment (which included approximately \$500,000 for energy savings equipment), it brought the total to \$29.3 million; adding in 10 percent for soft costs and project contingency plus all the architectural fees and testing and inspections, it brought the project to the \$39 million Cost Plan.

Mr. Rogge reviewed the Schematic Design process and reported that a final Schematic Design would be brought to the Library Subcommittee for approval prior to coming to the Council. Mr. Rogge also noted an informational presentation was scheduled on April 28, 2005, for the Library Advisory Commission, the Parks, Recreation and Cultural Resources Commission, the Youth Commission, and the Planning Commission.

Mayor Esteves said this presentation was presented to the Library Subcommittee comprised of Councilmember Livengood and the Mayor. Councilmember Polanski suggested all other commissioners be invited to the presentation.

MOTION to note receipt and file the progress report on the Library design.

M/S: Gomez, Polanski.

Ayes: 5

**RA6.
MIDTOWN WEST
PARKING GARAGE**

Acting Planning Manager James Lindsay reported that the City would be building a parking structure on the west side of N. Main Street, just south of the Calaveras Blvd off ramp to service the medical facility the County was building; the commitment to date was that the City would provide the County 275 parking spaces; in return the County would provide approximately \$6.8 million for design and construction of the facility and approximately \$68,000 a year for maintenance of the facility. Mr. Lindsay further reported in looking at the parking structure and some of the recent parking structures built in other communities, staff thought this would be an excellent opportunity to at least explore complimentary uses within the structure, one of which would be to consider some type of basic retail space within the ground floor to provide a street presence on Main Street, which was consistent with the Midtown goals in addition to providing a revenue source for ongoing maintenance of the facility. Mr. Lindsay provided a schematic of what the retail space could look like on the first floor of the garage; staff was also seeking direction regarding whether to expand it even further and looking at creating a banquet or meeting facility for the community on the top level of the parking structure; some of the ancillary uses that could come with a banquet facility would be a full service restaurant; in addition, it could provide an additional structural type facility in the case of a natural disaster in Milpitas. Mr. Lindsay explained the schematic was similar to what the city of San Jose had done at its Fourth Street Garage and the city of Santa Cruz also had a scaled structure of the same nature.

Vice Mayor Gomez inquired how other cities operated their banquet facilities. Mr. Lindsay said in the case of San Jose's Fourth Street Garage, the Fairmont catered that facility; this was one of the reasons staff was suggesting maybe a full-service restaurant operation in conjunction with the structure; the success of the banquet facility and the cost of providing it could be handled by having a "for profit" restaurant operate the facility with the City just leasing the space.

Councilmember Livengood said he had lost count of the number of times staff had come to him with a proposal for a commercial development, it had never gone anywhere, and the City had spent consultant fees and staff time on a number of projects; he thought every time the City tries to become a developer or get into some type of a JPA with a private developer, nothing ever comes of it; he was not interested in pursuing it at this time and assumed that once the parking garage was built, if the Council wanted to pursue it later, it could. Mr. Lindsay responded one of the options the Council could direct was to design the structural system to accommodate this facility in the future. Councilmember Livengood explained that when these kinds of things were built, they drove the cost up because the structure that had to be designed and built was more expensive than if this type of facility was not included; he felt at this stage, it was premature and he was not excited about it, based on the City's history and track record in dealing with commercial development. Councilmember Livengood said that right now there was not a heavy demand for banquet space at the hotels in the City; he was not adverse to looking at it, but would be looking at it with a jaundiced eye as it related to the City's past history with these types of things and the need in the community for it.

Councilmember Polanski said she felt the Council should look at the possibility of doing something like the Fourth Street Garage or having some type of facility on the top, even if it was something that was considered for the future; she continually heard from organizations within Milpitas that there was no space in Milpitas and they had to go out of town when they would prefer to hold their events in Milpitas; she thought it important to look at the future and the vision of what was wanted for the Midtown and felt it would be important to incorporate something of this nature into the parking garage.

Councilmember Giordano, referring to the County reimbursing for the maintenance costs of the garage, inquired how that would work. Mr. Lindsay responded there currently was a Memorandum of Understanding with the County that set the parameters of the commitments; the City would own and maintain the garage, the payment would come to the City on an annual basis, and the actual details and the financial transactions were still being negotiated through the Disposition and Development Agreement, which should be before the Council in April.

Councilmember Giordano inquired what would be involved from the staff level just to develop some kind of a work plan to look at to see if it was feasible or not. Mr. Lindsay responded he expected it would be about a two-month effort and would include hiring a consultant since staff did not have the economic expertise. Councilmember Giordano inquired if Mr. Lindsay was asking that the consultant be hired. Mr. Lindsay responded no; staff was looking first for direction from the Council; then staff would come back with a work plan on how to accomplish it.

Councilmember Livengood said he could spend the next ten minutes listing failed projects and was so glad staff came out tonight and said the magic word "consultant" because if it hadn't been said and the Council moved forward, the next step would have been to hire the consultant. Councilmember Livengood listed Sam's Club, Kohl's, a five-star hotel, and Costco as projects staff had brought forward to the Council to look at as if they were going to somehow become part of a development, some kind of scheme that the City was going to be involved with; every single one had failed, and he was tired of spending the tax payers' money on consultants and real estate agents to tell us what we already know, and he did not want any more of it and would vote against it. Councilmember Livengood said he would like to have some information about some of the consultants relating to the hotel and a few other things that were done to come back to the Council (it didn't have to be on the agenda) to give the new Councilmembers an idea of how much money had been spent on those kinds of things; he just wanted to build a library and a parking garage that met the needs of that area.

Councilmember Polanski said she would like to see the report Councilmember Livengood requested be an agenda item that showed how much money had been spent on consultants; the library and the parking garage would still be done; and she believed the Redevelopment amendment would assist the City for years to come.

Mayor Esteves thanked staff for bringing the Council a good idea and said he considered this to be a very strong opportunity. Mayor Esteves said it was just directing staff to come back with more information about the project, especially cost information and economic feasibility; he thought Milpitas had very limited facilities and this was an opportunity to have space for up to 600 people; it was a service for Milpitas residents, he knew there was a demand that would be confirmed by a study, and he would like to explore the opportunity.

Vice Mayor Gomez said he would be sitting this one out and suggested not doing this; he felt he didn't need a market study or cost analysis because if these things could be profitable, the private sector would be doing it.

Acting City Manager Lawson asked for clarification that Councilmember Livengood really wanted a report from staff on failed projects. Councilmember Livengood said there were so many and the public didn't know about many of them.

MOTION to table this item, that it not be pursued at this time, and that the Council continue to consider the parking garage as a parking garage only at this time and at a later time the potential could be looked at.

M/S: Livengood, Gomez.

Councilmember Polanski said she was not looking at it as something to make a profit from; she was looking at it more as something for the future of the Midtown area and looking at all of the potential benefits as well as the shelter; based on the motion, she would be voting no;

she also believed she requested a report be brought to the Council on some of the failed projects and she would like to see what they were in the last two years.

Mayor Esteves said he supported future facilities for the residents, it was a service to the residents, and he thought the Council should have vision.

VOTE ON MOTION:

Ayes: 3

Noes: 2 (Esteves, Polanski)

City Attorney Mattas asked for clarification from the motion maker stating that the initial part of the staff presentation made reference to potential retail on the ground floor and inquired whether the motion was specifically to having the garage focused on parking purposes, which was the way he understood the wording of the motion, and that would be to the exclusion of even consideration of retail uses.

Councilmember Livengood said he was referring to the top of the parking garage facility, not necessarily the retail that was scheduled to be next to the library; he did not want to spend consultant or study money. Mr. Lindsay explained the parking consultants currently being interviewed for design all had done mixed use retail components so there would not be an additional consultant. Councilmember Livengood said his motion would be just what was on top of the facility. Vice Mayor Gomez, as the second to the motion, agreed.

Councilmember Polanski said she had voted no on the motion but now she wasn't clear what was voted on; she understood what was before the Council/Agency was to table it and only discuss the parking; and she did not know it included retail as well.

Mayor Esteves said he voted no because he knew that the structure, in a cost benefit analysis with a banquet facility, would be a steal and would be a future benefit for Milpitas.

RECESS

Mayor Esteves recessed the joint City Council/Redevelopment Agency meeting at 9:15 p.m. The joint meeting reconvened at 9:25 p.m.

RA7. MID YEAR BUDGET APPROPRIATIONS CIP REVENUE CHANGES

Finance Director Emma Karlen reported that in the agenda packets, staff had prepared and included a list of requests to increase budget appropriations for operating purposes or Capital Improvement Projects; the City also received additional revenue from outside agencies to offset some of the Capital Improvement Project costs; the combination of the revenue and additional requests resulted in a net fiscal impact to various fund balances in the amount of \$2,067,144; and there were sufficient fund balances in these funds to cover the additional appropriations.

Mayor Esteves suggested discussing the items one at a time and if there were no questions on an item, it would mean the item was okay with the Council.

Ms. Karlen presented item 1, \$7,235 from the General Fund to fund the maintenance costs for college classes at Milpitas High School, newsletter production cost, and the Joint Venture Silicon Valley Economic Development Alliance activity costs.

Councilmember Polanski, referring to the college classes at Milpitas High School, inquired if the request was because the number of students and the number of classes were now known as well as what the maintenance costs would be. Ms. Karlen responded that was the case. Principal Analyst Cindy Maxwell also confirmed that was the reason. Councilmember Polanski inquired what the additional newsletter costs would be. Ms. Maxwell explained the additional costs were for a professional designer to do the layout for the first three issues; staff was now prepared to do the lay-out in-house for the fourth issue.

Ms. Karlen presented item 2, \$71,000 from the General Fund to the Human Resources Department to pay for recruitment expenses for several key positions.

Acting City Manager Lawson stated that Finance and Human Resources had requested initial funding for recruitment purposes to fill several top management positions (the Fire Chief, Economic Development Manager, Neighborhood Services Manager, and City Clerk).

Mayor Esteves inquired why an Economic Development Manager position was being requested as it had always been vacant. Mr. Lawson responded he was proposing to not fill the Assistant City Manager position as he believed the Economic Development Manager position was more important to the City given all the planned development (the Town Center, K&B, the Library); the Assistant Manager's position was over the Fire Chief, Public Works Department, and Information Services, and he felt those departments were run well on their own; the previous Assistant City Manager had informed him that he spent most of his time on RDA and Economic Development issues and what was really needed was an Economic Development Manager. Mayor Esteves said the City had a City Manager who was both a City Manager and doing the RDA and Economic Development work; if there was only an Economic Development Manager, there would not be a back-up City Manager. Mr. Lawson said the majority of the time he had been in the City, there had not been an Assistant City Manager. Mayor Esteves stated he was referring to the former Assistant City Manager, Blair King, who had RDA, Economic Development, and at the same time acted as an Assistant City Manager. Mayor Esteves inquired as to the salary for an Economic Development Manager versus an Assistant City Manager. Carmen Valdez from the Human Resources Department stated she did not have the salary table with her. Mr. Lawson said he believed the salary for Assistant City Manager was approximately \$170,000 and the Economic Development Manager was \$120,000.

Mayor Esteves inquired as to the other positions being requested. Mr. Lawson listed the Fire Chief, Economic Development Manager, Neighborhood Services Planning Director, and the City Clerk's position, which would not be outsourced, however, funding for recruitment purposes was needed. Human Resources Analyst Carmen Valdez informed the Council that the requested funding included the executive recruitment advertising as well and meals for oral board participants.

Councilmember Polanski said she found it troubling to have heard about some of these potential retirements and openings through community members at public meetings; she also found out from a community member who the recruiter was going to be prior to the budget appropriation being made; she knew the Acting City Manager had a right to hire everyone within the organization but questioned how this would usurp the authority of any permanent City Manager coming in if the Acting City Manager was going to make acting positions permanent, make a determination that an Assistant City Manager was no longer needed and an Economic Development Manager was needed; she felt the only two areas that needed immediate attention were the Fire Chief and the City Clerk as well as Deputy City Clerk; she was uncomfortable with an Acting City Manager making some of these decisions permanent especially when everything she had heard in the last two years budget wise was that the economy was still not turning the way it should; she was not comfortable spending the \$71,000 for the five positions when she only believed that two, possible three if the Deputy City Clerk position was also being looked at, were most needed; and she thought the most needed position was a permanent City Manager and wanted that on the agenda for the next City Council meeting.

Vice Mayor Gomez, referring to hiring a permanent City Manager, said he felt it did have some impact on some of the positions being talked about; however, he did not see the Council going into the process of hiring a permanent City Manager for several months simply because of the budget process and labor negotiations coming up; he did not want to wait six months to fill several key positions; he considered the Economic Development Director a key position as well as Planning Director and would like to get somebody permanent into all of those positions; in terms of Economic Development Director, he felt there was a need to be realistic; the previous Assistant City Manager was, in essence, doing those duties – most of his job involved Redevelopment; he thought some money should be saved and an Economic Development Director hired instead of an Assistant City Manager; he was comfortable with Mr. Lawson making these appointments, trusted his judgment, and thought he would do what was in the best interest for the City.

Councilmember Livengood said he was going to support the Acting City Manager's recommendations; he did not know when the City Council was ultimately going to make a

permanent replacement for Mr. Wilson, but it certainly wouldn't be relatively soon; he was not looking at making that move any time relatively soon; he also thought Mr. Lawson was right on the mark when he talked about the need for a Economic Development Director; it was a position that had been vacant for a while; he thought the Acting City Manager's recommendation that the Assistant City Manager position not be filled was probably a wise one; also, there were a number of people in City Hall that were acting in the roles they were in and thought it was better to get those positions recruited for and filled with a permanent person, whether it be the person who currently held the job as a temporary/acting or somebody else; he thought it was better for the organization to have permanency; he had complete confidence in the Acting City Manager that he would make the appointments and make them well; and he did not have a problem with the recommendations that the Acting City Manager had made.

Ms. Valdez reported the Economic Development Manager's salary was in the range of \$82,000 to \$108,000, and Assistant City Manager's salary was in the range of \$129,000 to \$170,000.

Councilmember Giordano commented she would concur that the recruitment for the Economic Development area was certainly something that needed to be done no and a potential cost savings; and inquired if the job title of the Assistant City Manager went away or would it remain now unfilled. Mr. Lawson responded it would remain unfilled.

Mr. Lawson, referring to the Deputy City Clerk's position, stated there was a hiring list and candidates were presently being interviewed for the position.

Mayor Esteves said he felt it had nothing to do with Mr. Lawson and his competence but was a management philosophy; first and foremost he thought the City should look into filling the City Manager position as soon as possible because the City Manager should have a hand in developing the organization; it was mentioned that union negotiations were upcoming and inquired who would be doing that; he did not disagree in hiring all the rest, however, the City Manager position should be considered first and foremost; and he was not comfortable with filling the positions and then hiring a City Manager.

VOTE on approving Item 2 (Approve \$71,000 from the General Fund to Human Resources Department to pay for recruitment expenses for several key positions):

Ayes: 3 Noes: 2 (Esteves, Polanski)

Ms. Karlen presented item 3, \$80,000 from the General Fund to Recreation Division to pay for additional contracted instructors; the cost for these services would be recovered through enrollment fees.

Ms. Karlen presented item 4, \$50,000 from General Fund to Building Division to cover temporary staffing expense due to request from the Parc Place developer for a dedicated inspector; the cost for the dedicated inspector would be reimbursed by the developer.

Ms. Karlen presented item 6, \$1,042,762 from the Redevelopment Agency Project Fund to non-departmental budget to pay for additional obligation to the Education Revenue Augmentation Fund as mandated by the State; the required contribution amount for FY04-05 was \$1,042,762 more than originally anticipated.

Mayor Esteves inquired if there was any impact on any other project or City operation due to this increase. Mr. Karlen responded there would be an impact on the Redevelopment Agency fund balance.

Ms. Karlen presented item 5, \$35,000 from the Abandoned Vehicle Abatement Service Authority (AVASA) Fund to the Police Department to provide for continued service on the removal of abandoned vehicles on the roadways and to pay for a laptop computer.

Councilmember Polanski inquired if there was usually a budget for abating abandoned vehicles, were more vehicles being found, and why was more money being requested. Ms. Karlen explained there was usually a budget for the abandoned vehicle program, there had been more activity, the budget was expended based on staff charging the time to administer that activity and, therefore, they had an additional request for funding. Councilmember Polanski inquired if it involved overtime. Acting Police Chief Nishisaka responded it did involve overtime and in order to continue removing abandoned vehicles, the additional budget allocation was being requested.

Mayor Esteves inquired if staff anticipated this to be a continuing volume. Acting Chief Nishisaka responded yes, there was a trend of abandoning vehicles on public roadways, and it was felt there would be a continuing impact. Mayor Esteves inquired if any revenue was received. Chief Nishisaka responded for every vehicle that was towed, money came back into the General Fund. Mayor Esteves inquired if the additional revenue was more or less than the cost. Ms. Karlen said it was hard to say because it was based on the County's allocation. Mayor Esteves suggested hiring somebody instead of paying overtime and inquired how much was being paid. Chief Nishisaka responded he thought hiring one person dedicated just to abandoned vehicles would not be cost efficient; he would rather have officers assigned to overtime since it was sporadic. Mayor Esteves inquired what the difference would be in regular time and overtime. City Manager Lawson responded it was time and one-half. Mayor Esteves inquired what the rate was for the person doing it right now. City Manager Lawson said they were patrol or police officers. Mayor Esteves inquired what the hourly rate was. City Manager Lawson said he thought it was about \$60 to \$65 an hour. Human Resources Analyst Carmen Valdez said the rate was \$72 an hour, which included benefits. Mayor Esteves inquired if that was the regular rate or overtime. Ms. Valdez said that was straight base pay and the overtime rate would be time and one-half, which would be approximately \$107 an hour including benefits.

Councilmember Polanski inquired if reserve officers were used to assist with the abandoned vehicles. Chief Nishisaka responded no reserve officers were used.

Ms. Karlen presented item 7, \$15,000 from the Water and Sewer Funds to the Engineering Division to provide for consultant costs for additional hydraulic water and sewer modeling; the Water and Sewer funds would pay \$7,500 respectively for the cost.

Councilmember Polanski inquired why the additional consultant costs for this area. Principal Engineer Darryl Wong explained that periodically there were projects that came in that required some review on a short turn around; staff wished to have the dollars available to have the work done; if it was for a project, the dollars would be charged back to the developer and would go to the General Fund; in some cases, it was for public projects that need a review, and that would be what the money was for.

Ms. Karlen presented item 8, \$300,000 from Redevelopment Agency Fund to provide for additional Public Works construction litigation fees and costs.

City Attorney Mattas explained these were Public Works construction litigation costs; the primary cases involved during the current fiscal year were the Main Fire Station, which had been settled recently, as well as the City Hall litigation.

Ms. Karlen presented item 9, \$200,000 from the RDA Tax Allocation Bond Proceeds to Capital Project No. 8153, North Main Street Utility Improvements, to fund additional project costs. Ms. Karlen explained this was not additional funding as the project itself was only funded for a portion; staff needed to move onto the next phase of the project and required funding from the Redevelopment Agency Bond for the North Main Street Utility Improvements; and was similar to request numbers 10 and 11, which needed additional funding in order to move onto the next phase of the project.

Mayor Esteves said he thought the next phase of the projects had also been budgeted and asked if it was being said that the next phase of the projects was never budgeted. Ms. Karlen said the projects were able to work faster than what had been anticipated. Mayor Esteves

inquired if this was for next year's budget that was being spent this year. Projects Manager Mark Rogge clarified that the last CIP funded the amount of money that was felt would be spent in the current Fiscal Year; however, the project was moving ahead at a rate that staff would want to have the money available before the end of the Fiscal Year; it was still the money within the Cost Plan on the projects, however, just allocating some more of the funding earlier.

Councilmember Polanski, referring to items 9, 10, and 11, said it would probably be appropriate in the future to have those items come before the CIP Subcommittee. Acting City Engineer Greg Armendariz said the plan was to schedule a CIP Subcommittee meeting towards the end of February, well in advance of the CIP and budget process.

(Item 10: \$200,000 from the RDA Tax Allocation Bond Proceeds to fund a new Capital Project No. 8159 North Main Street EIR Mitigation for the development of a mitigation plan and preliminary work related to the library and East parking garage.)

Ms. Karlen presented item 11, \$200,000 from the RDA Tax Allocation Bond Proceeds to Capital Project No. 8165, Main Street Midtown Improvements, to fund additional project costs.

Mayor Esteves stated he was having a problem with the word "additional" as it was not really an additional project cost, it was advanced project costs. Ms. Karlen confirmed it was to advance the project cost; it was not funded in the current budget. Mayor Esteves reiterated that it was additional with respect to the current budget, but with respect to the project, it was not additional, it was advanced.

Ms. Karlen presented item 12, \$40,000 from the Water Fund to Capital Project No. 7098 South Milpitas Water Replacement to fund additional project costs. Ms. Karlen clarified that this was an advance cost request, not additional cost.

Ms. Karlen presented item 13, \$54,895 from the Street Fund to Capital Project No. 4214 Piedmont Road to replace the state funding shortfall for this project.

Ms. Karlen presented item 14, \$276,192 to Capital Project No. 4223 Annual Street Resurfacing 2005 to pay for street resurfacing, the funding source for this appropriation was from the Valley Transportation Agency.

MOTION to approve the funding requests (the Fiscal Year 2004-05 mid-year budget appropriations and additional Capital Improvement Project revenues as itemized in the budget change form included in the Agency/Council agenda packet).

M/S: Gomez, Livengood.

Ayes: 5

Councilmember Polanski inquired if the motion covered everything except No. 2, where a separate vote was taken. Mayor Esteves confirmed it was.

RA8. FINANCIAL STATUS REPORT

Finance Director Karlen reported there had been some recent encouraging news as reported by the Bureau of Labor Statistics on the employment rate in the San Jose area and improvement in sales tax revenue receipts; the last four quarters showed a 5.6 percent increase in sales tax revenue receipts in Santa Clara County compared to one year ago. Ms. Karlen reported General Fund revenues had been on track with approximately 43.8 percent of the budget revenue received at the end of December 2004. Ms. Karlen further reported General Fund expenditures continued to be under budget; at the end of six months, the savings was approximately \$2.3 million (year-to-date expenditures were at 46.6 percent). Ms. Karlen also reviewed key budget dates.

MOTION to note receipt and file staff report.

M/S: Livengood, Giordano.

Ayes: 5

***RA9.
INVESTMENT REPORT**

Noted receipt and filed the investment report for the quarter ended December 31, 2004.

***RA10.
MID-PENINSULA
HOUSING**

Approved Amendment No. 2 authorizing an extension of the Exclusive Negotiation Agreement with Mid-Peninsula Housing until May 31, 2005, for the sale and development of APN 022-08-041 (163 North Main Street).
(Councilmember Livengood abstained from voting on this item.)

**RA11.
ADJOURNMENT**

There being no further Redevelopment Agency business, Mayor Esteves adjourned the Redevelopment Agency meeting at 10:15 p.m.

Gail Blalock
Secretary/City Clerk